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Marine Outlook

Highlights of the Marine Industry

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TABLE OF CONTENTS

Ports in Quebec 1
Ports in Eastern Canada 6
Maritime Safety 6
Seaway 7
Maritime Transport in Canada 8
Maritime Transport in Quebec 8
Environment 8
Commodities 9
Ferries 10
International cruises 11
Pleasure Boating 12

PORTS IN QUEBEC

Quebec

Increase in handled tonnage

The handled tonnage at the Port of Quebec City totalled 27 Mt[1] in 2007, or an increase of 15 % compared to last year. This is a new record in tonnage volume and, for a fifth consecutive year. Several solid bulk goods are on an increase in 2007, notably nickel, alumina, metal waste and fertilizer. In terms of liquid cargo, petroleum and chemical products also experienced an elevated increase. As a part of the traffic of pleasure boats, the port also shows a slight increase in the number of cruises. In fact, Quebec City welcomed 66,152 cruise passengers and 27,607 crew members in 2007.[2]

The Port of Quebec City has been experiencing a strong increase over the last few years, to the point where they are truly starting to lack space. The Quebec Port Corporation has signed an agreement with Quebec City in anticipation of the construction of two new quays measuring a total of 610 meters as well as the development of the rear quays[3]

Montreal

Another record year for the Port of Montreal

In 2007, the Port of Montreal handled 26 Mt of goods, an increase of approximately 4% compared to 2006, due to vitality of the global economy. Nearly half the tonnage is composed of containerized cargo, or 12.4 Mt, an increase of 9.4% over last year, thus setting a new record and a sixth consecutive year of growth for this sector. Furthermore, the handled liquid cargo (petroleum products and others) recorded an increase of 1.7% whereas the solid cargo (grains, cereals and others) decreased by 2.1%.[4]

The vigour of international trade enabled the Port of Montreal to experience five years of solid growth and when the port will celebrate its 190th anniversary in 2020, it could easily welcome two million containers per year, or

[1] M : million

[2] « Le port de Québec fracasse de nouveaux records de tonnage manutentionné », Communiqué de presse, Administration portuaire de Québec, January 3, 2008.
[3] Auger, Samuel, « Discorde sur les quais de la baie de Beauport », Le Soleil, January 4, 2008.
[4] Montreal Port Authority.

close to twice the current level. The container traffic will be the main vector of this development over the next few years and the Montreal Port Administration should invest $175 in order to improve the port's capacity and efficiency.[5]

Sept-Îles

Decrease in handled tonnage

In 2007, activities at the Port of Sept-Îles generated transhipments of 21.4 Mt, or 9% less than 2006. The decrease can be explained by the five week strike of the Iron Ore du Canada (IOC) mine. Consequently, the shipments of ore and iron pellets decreased. However, La Relance terminal, which mainly serves the Alouette aluminum plant, experienced an increase of 12% in its activities with 2.2 Mt received or expedited. The terminal notably expedited 500,000 t of aluminum in 2007, or 90% of the total aluminum production.[6]

The port administration also completed the work on quay 41 at the La Relance terminal, which allows them to now welcome larger ships. Three times the port also received the *Georges-Alexandre-Lebel* train ferry that transports railway cars from Matane. These crossings were experimental as the port authorities wished to offer permanent service in the future.[7]

The Sept-Îles port administration anticipates handling a total of 25.4 Mt in 2008. The tonnage increase should mainly be explained by the increase in iron production. The IOC mine anticipates increasing its production to 3 Mt. The port also depends on mining projects, such as the one in Lac Bloom, to increase its tonnage over the next few years.[8]

[5] Gibbens, Robert, « Montréal a le vent en poupe », Maritime Magazine, numéro 45.
[6] Paradis, Steeve, « Une bonne année pour le port de Sept-Îles », Le Soleil, January 12, 2008.
[7] Ibid
[8] « Port de Sept-Îles – Une canne et de l'espoir », Site Web de Radio-Canada, January 4, 2008.

Port-Cartier

Increase in handled tonnage

ort of
In 2007, the tonnage handled at the P t, an Port-Cartier totalled approximately 20 Me was increase of 13% from 2006. This tonnage and mainly composed of iron oxide concentratcereal pellets and, in smaller proportion, ips in products. The port welcomed 507 shirsified 2007. The port supplies a very dive North global clientele located notably in In America, Europe, Africa and Asia. at the conclusion, it should be remembered thaificant Port of Québec Cartier is the most signandled private port in Canada in terms of ha tonnage.[9]

Baie-Comeau

Increase in handled tonnage

ort of
In 2007, the handled tonnage at the P than Baie-Comeau totalled 6.1 Mt, or 6% morewenty in 2006. The port welcomed 284 ships, t or so more than the previous year.[10]

0 t of
To this tonnage we must add 619,00(Baie-goods that transited through the Port of *Lebel*, Comeau via the *Georges-Alexandre-L*2006, which represents a drop of 17% from ticular The transportation of forest produce in parb last experienced a significant drop over thps, or year. The train ferry made 367 round-tripar. It approximately 80 less than the previous ye and is noted that between Baie-Comeau eased Matane, the number of crossings decrdustry following the closure of several forestry inc small businesses.[11]

er the
Transport Canada announced in Decembtainer grant of $9M for the rebuilding of n° 3 conquay. berth of the Baie-Comeau commercial ng a The project mainly consists of rebuildi

avire de
[9] Côté, Caroline, « Québec Cartier accueille son premier na a l'année – Le capitaine du *MV Alam Permai* reçoit la canne a pommeau d'acier », Le Nord-Côtier, January 18, 2008. et les
[10] « Rapport détaillé du tonnage manipulé dans les havres e ports du Québec », Transports Canada, 2006 and 2007. r-rail
[11] « Rapports des tonnages manutentionnés sur le traversie nd *Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2006 a 2007.

permanent access, secure and large enough for vehicles, and in consolidating the berthing front of the n° 3 container berth. In addition to guaranteeing maritime safety new the basin's structure, the work will enable the protection of the harbour against waves, ice and sedimentation and to ensure safe access to the heavy vehicles that operate at the n° 1 and 2 container berths.[12]

Sorel-Tracy

Decrease in handled tonnage

The tonnage handled at the Port of Sorel totalled 5.1 Mt in 2007, a drop of 24% over the previous year. The drop in ilmenite shipments from Havre-Saint-Pierre is the main explanation of the drop in handled tonnage in Sorel-Tracy. Workers from the QIT Fer et Titane company in Havre-Saint-Pierre were on strike in September and October, which explains this significant drop in tonnage.[13]

Port-Alfred

Increase in handled tonnage

With a total 4.7 Mt in 2007, the handled tonnage at the Port of Port-Alfred experienced an increase of 4% over the previous year. With the exception of green coke, all other goods categories recorded an increase in tonnage. In 2007, 134 ships transited through the port, or ten or so more than in 2006.[14]

It should be mentioned that last December 31, a tugboat from the Rio Tinto-Alcan sank abruptly to the bottom of the Baie des Ha! Ha! Near the Powell quay. Some 7,500 litres of diesel made its way into the bay. However, the ship's gaps were quickly plugged, the diesel that spilled was confined and work began to recuperate the 80,000 litres of diesel that were still contained in the reservoir. Furthermore, the Canadian transportation Accident Investigation and Safety Board announced that they would investigate the cause of this disaster.[15]

Trois-Rivières

Decrease in handled tonnage

The handled tonnage at the Port of Trois-Rivières totalled 2.3 Mt or 15% less than the previous year. The grain, dry bulk cargo, liquid cargo and general goods tonnages all experienced a drop. This decrease can be explained by the drop in forestry produce tonnage, a consequence of the forestry crisis in Quebec and in other Canadian provinces. The drop in shipments of de-icing salt which was a result of a more favourable winter in 2007, also contributed to the drop in tonnage in Trois-Rivières. At the same time, the port welcomed 309 ships in 2007, or twenty or so less than in 2006.[16]

Determined to pursue market development, the Trois-Rivières port management expects to find the means and momentum. To do so, the port must find additional space in order to enable the expansion of the port facilities to meet the future needs of port users. Discussions are therefore underway with 6 or so neighbouring owners in the scope of new acquisitions.[17]

Havre-Saint-Pierre

Decrease in handled tonnage

The handled tonnage in the Port of Havre-Saint-Pierre totalled 2.1 Mt, a drop of 38% from 2006. Let us recall that the workers from the QIT Fer et Titane company in Havre-Saint-Pierre were

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[12] « Le gouvernement du Canada tient parole et annonce le début des travaux de réfection au port de Baie-Comeau », Communiqué de presse, Transports Canada, December 12, 2007.
[13] « Rapport détaillé du tonnage manipulé dans les havres et les ports du Québec », Transports Canada, 2006 and 2007.
[14] Administration portuaire de Port-Alfred.

[15] Bégin, Stéphane, « Quai Powell à La Baie – Un remorqueur coule à pic », Le Quotidien, January 4, 2008; « La catastrophe est évitée au Saguenay », Le Devoir, January 4, 2008; « Saguenay : les travaux vont bon train pour récupérer le diesel d'un remorqueur », La Presse Canadienne, January 4, 2008.
[16] Administration portuaire de Trois-Rivières; Rochette, Marc, « Recul de marchandises au port de Trois-Rivières », Le Nouvelliste, January 25, 2008.
[17] Rochette, Marc, « Le port de Trois-Rivières fait voile vers son expansion », Le Nouvelliste, January 5, 2008.

on strike in September and October, which explains this significant drop in tonnage.[18]

Bécancour

Increase in handled tonnage

The volumes of goods handled in the Port of Bécancour totalled 2 Mt, or an increase of 51% over 2006. This is mainly due to a large increase in chemical and alumina salt tonnage. At the same time, 172 ships in transit dropped their anchors at the port in 2007, this equalling forty or so more than the previous year[19]

Port-Saguenay

The forestry crisis and the appreciating dollar contribute to the drop in tonnage

The Port of Port-Saguenay experienced a reduction in its activities in 2007. Therefore, the port handled a total of 287,000 t, or a drop of 11% over 2006. In total, 56 ships docked in the port facilities, three less than 2006.[20]

According to the port administration, this drop in tonnage can be explained mainly by the forestry crisis and the significantly appreciating Canadian dollar. Furthermore, a shipment of 5,000t of granite was handled at the port, a first since the year 2002. The port also welcomed 12,831 cruise travellers from eight cruise ships, or 13% more than in 2006.[21]

In the opinion of the port authorities, the situation could worsen in 2008 because of the strength of the Canadian dollar which could lead to a drop in exportations and, consequently, handled tonnage at the port.[22]

[18] Corporation de développement et de gestion du port de Havre-Saint-Pierre.
[19] Administration portuaire de Bécancour.
[20] St-Gelais, François, « Baisse des activités - Les navires ont laissé 189 000 tonnes de marchandises à Grande-Anse en 2007 », Le Quotidien, January 4, 2008.
[21] Ibid
[22] « Port Saguenay – Les activités diminuent », Site Web de Radio-Canada, January 3, 2008.

Rimouski

Slight drop in handled tonnage

In 2007, the handled tonnage at the Port of Rimouski totalled 233,000 t or 1% more than in 2006. The increase in sand, stone and gravel tonnages slightly compensated for the significant drop in fuel and petroleum product tonnages. The port welcomed 71 ships in 2007 which is the same number as in 2006.[23]

Matane

Increase in handled tonnage

In 2007, the handled tonnage at the Port of Matane totalled approximately 232,000 t or 6% more than the previous year. In fact, the previous year was notably marked by a significant increase in shipments of wood chips. The port welcomed 38 ships, five more than in 2006.[24]

To this tonnage, 619,000 t of goods have to be added that transited through the Port of Matane via the *Georges-Alexandre-Lebel* in 2007, this equalling a drop of 17% from the previous tear.[25]

Gros-Cacouna

Increase in handled tonnage

The Port of Gros-Cacouna experienced an increase in its global traffic in 2007 with a handled tonnage of approximately 221,000 t. This represents an increase of 50% over 2006 mainly due to an increase in timber tonnage. In 2007, 49 ships transited through the port, nine more than the previous year.[26]

Last September, the consortium, composed of Petro-Canada and TransCanada, reported that

[23] « Rapport détaillé du tonnage manipulé dans les havres et les ports du Québec », Transports Canada, 2006 and 2007.
[24] Ibid
[25] « Rapports des tonnages manutentionnés sur le traversier-rail *Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2006 and 2007.
[26] « Rapport détaillé du tonnage manipulé dans les havres et les ports du Québec », Transports Canada, 2006 and 2007

they will be opening their methane tanker terminal from 2010 to 2012 in Gros-Cacouna and their liquefied natural gas regasification plant. Énergie Cacouna explains this delay by the increase in construction costs for these types of projects and the negotiation delays with Gazprom for the supply of gas. Moreover, the consortium expects to review the construction plans for the quay. The latter could be brought closer to the shoreline in order to diminish the noise impact of ships on the white whale population of the St. Lawrence estuary.[27]

Pointe-au-Pic

Increase in handled tonnage

The handled tonnage at the Port of Pointe-au-Pic totalled 121,000 t in 2007 or an increase of 43% over the previous year. The number of ships increased in traffic to 25 ships or six or so more than in 2006.[28]

Gaspé

Decrease in handled tonnage

In 2007, the handled tonnage at the Port of Gaspé totalled 72,690 t or 9% less than in 2006. This drop can be explained by a drop in tonnages of de-icing salt and petroleum products. The port welcomed 27 ships or six more than the previous season.[29]

Portneuf

Significant drop in handled tonnage

The Port of Portneuf experienced a significant drop in its traffic in 2007 with a hadled tonnage of 5,280 t or 94% less than in 2006. This drop can entirely be explained by the absence of carbon shipments over the last year. Furthermore, the port only welcomed one ship or five less than in 2066.[30]

Chandler

Increase in handled tonnage

The handled tonnage at the Port of Chandler totalled 3,905 t in 2007 or 37% more than in 2006. The increase in de-icing salt shipments entirely explains this increase in tonnage. Moreover, only one ship docked in Chandler in 2007 or eight less than in 2007.[31]

The Vantek Vietnamese group will acquire assets from the Gaspésia plant in Chandler. However, they leave the door open for pulp production in the complex. We should recall that Abitibi-Consolidated had ceased plant activities in 1999. Since, several re-launching attempts have been attempted in vain. In fact, the difficult economic context in the global pulp and paper industry and the cost overruns of modernizing the paper manufacturer justified the plant.[32]

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[27] Joncas, Hugo, « L'ouverture du terminal de Gros-Cacouna reportée à 2012 ». Les Affaires, January 12, 2008.
[28] « Rapport détaillé du tonnage manipulé dans les havres et les ports du Québec », Transports Canada, 2006 and 2007.
[29] Ibid
[30] Ibid
[31] Ibid
[32] « L'aventure de la Gaspésia prend fin ». La Presse Canadienne, December 22, 2007; Gagné, Gilles, « L'acheteur de la Gaspésia laisse la porte ouverte à la production de pâte ». Le Soleil, December 22, 2007.

2007 REVIEW

Estimate and comparison of handled tonnages in the major ports of Quebec in 2007 and 2006[33]

List of ports	2007 Jan.-Dec.	2006 Jan.-Dec.	Variation 2007 / 2006
1. Quebec	27 Mt	23.5 Mt	+ 15%
2. Montreal	26 Mt	25.1 Mt	+ 4%
3. Sept-Îles	21.4 Mt	23.5 Mt	- 9%
4. Port-Cartier	20 Mt	17.7 Mt	+ 13%
5. Baie-Comeau [34]	6.1 Mt	5.7 Mt	+ 6%
6. Sorel	5.1 Mt	6.6 Mt	- 24%
7. Port-Alfred	4.7 Mt	4.5 Mt	+ 4%
8 Trois-Rivières	2.3 Mt	2.7 Mt	- 15%
9. Havre-Saint-Pierre	2.1 Mt	3.4 Mt	- 38%
10. Bécancour	2 Mt	1.3 Mt	+ 51%
11. Port-Saguenay	287 kt	324 kt	- 11%
12. Rimouski	233 kt	230 kt	+ 1%
13. Matane [34]	232 kt	218 kt	+ 6%
14. Gros-Cacouna	221 kt	148 kt	+ 50%
15. Pointe-au-Pic	121 kt	85 kt	+ 43%
16. Gaspé	73 kt	80 kt	- 9%
17. Portneuf	5.3 kt	87 kt	- 94%
18. Chandler	3.9 kt	2.9 kt	+ 37%
Total	**118 Mt**	**116 Mt**	**+ 2%**

Sources: Port Authorities and Transport Canada
eans Canada, Quebec region.

Compilation: DRPE, Fisheries and Oc

M: million; k: thousand

[33] Les variations des tonnages sont calculées à partir des données non arrondies des tonnages manutentionnés.
[34] Ces données n'incluent pas le tonnage transitant aux ports de Baie-Comeau et de Matane via le traversier-rail *Georges-Alexandre-Lebel*.

PORTS IN EASTERN CANADA

Port of Saint John (NB)

Increase in handled tonnage

In 2007, the total handled tonnage at the Port of Saint John totalled 27 Mt or 9% more than the previous year. All major goods categories increased in tonnage: 9% increase in liquid cargo (petroleum and sodium hydroxide products), 8% in solid bulk cargo (potassium carbonate and de-icing salt) and 7% in containerized goods. At the same time, the number of ships that transited through the port increased. There were a total of 896 ships or 21% more than in 2006.[35]

Halifax

Decrease in handled tonnage

In 2007, the handled tonnage at the Port of Halifax totalled 12.5 Mt, a drop of 10% from the previous year. The volume of containerized goods totalled 4.2 Mt (490,000 TEU containers) or a drop of 7.5% from 2006. The interruption of supply of containers by the *Maersk* company and the decrease in supply by the *China Shipping Vessels* explain this drop in containerized goods tonnage.[36]

MARINE SECURITY

Transport Canada publishes an evaluation of maritime security initiatives

Since the events of September 11, 2001, the Government of Canada launched many initiatives to try to reinforce the security of the Canadian maritime transportation network. To date, $930M have been invested into marine

[35] Administration portuaire de Saint John (Nouveau-Brunswick).
[36] « Collaborative effort needed to ensure Port of Halifax's future », The Chronicle-Herald, January 28, 2008; Peters, Tom, « Halifax container numbers down in 2007 », Canadian Sailings, January 7, 2008.

security initiatives within various federal ministries.[37]

In January, Transport Canada published an evaluation report of maritime security initiatives for the 2001 to 2006 period. The report demonstrates that Canada substantially increased its capacity of providing programs that meet the Canadian maritime environment needs. The report highlights that Transport Canada's initiatives have already proven themselves, notably with regards to:

- The harmonization of maritime safety regulations with the International Maritime Organization and the United States;
- The growing confidence of players in the Canadian maritime safety network and their acceptance of safety measures.[38]

New regulation to counter all marine safety violations

Last November, Transport Canada announced a regulation project regarding administrative financial penalties in order to implement a detailed and uniform method severely deal with all marine safety violations in Canada, without appealing to courts.[39]

This regulation addresses more flexible means to deliver notices of financial penalties to physical or moral persons or buildings. This flexibility and efficiency would enable the increase in the safety of the maritime community, the marine environment and the general public.[40]

A new American law on container inspection

Last August, President Bush affixed his signature to a law that would obligate the inspection, in foreign ports, of all containers destined for American ports. This measure, which should be integrally applied within five years, could affect approximately 600 ports from all regions of the world, including Canada. Currently, less than 10% of containers are inspected before their arrival in the United States. Customs authorities focus on containers they deem suspect according to criteria that take into account the consigner of goods, the carrier and the cargo's origin.[41]

This measure is however meeting strong opposition because of its almost impossible practical application. It is notably criticized by the American Department of Homeland Security, the American Customs and Border Protection Office and also by large cargo transportation organizations, the consigner of goods, shipping lines, the European Commission and many US trading partners.[42]

SEAWAY

End of the 49th St. Lawrence Seaway season

The St. Lawrence Seaway has been officially closed since December 28, 2007 putting an end to its 49th season of navigation. In 2007, the navigation season on the Seaway spread out over 283 days, equalling the record set the previous season.[43]

Drop in tonnage on the Seaway

The volume of goods transported in 2007 on the St. Lawrence Seaway totalled 42.74 Mt or a drop of 9% over 2006. This drop is mainly due to the reduced ocean-going ship traffic and to a significant drop of steel importation on the Seaway.[44]

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[37] « Transports Canada publie une évaluation des initiatives de sûreté maritime », Communiqué de presse, Transports Canada, January 18, 2008.
[38] « Transports Canada publie une évaluation des initiatives de sûreté maritime », Communiqué de presse, Transports Canada, January 18, 2008.
[39] « Nouveau règlement proposé pour sévir contre toute violation à la sécurité maritime », Communiqué de presse, Transports Canada, November 7, 2007.
[40] Ibid

[41] Ryan, Leo, « Le Canada s'élève lui aussi contre le balayage de tous les conteneurs exigé par les États-Unis », Maritime Magazine, Number 46.
[42] Ibid
[43] « La Voie maritime termine la saison de navigation 2007 sur une note positive », Réseau Grands Lacs / Voie maritime du Saint-Laurent, January 9, 2008.
[44] « La Voie maritime s'emploie à élargir sa clientèle », Réseau Grands Lacs / Voie maritime du Saint-Laurent, June 27, 2007.

MARITIME TRANSPORT IN CANADA

Canadian ports are more lucrative than their American competitors

In the scope of a study realized on behalf of the Conference Board of Canada, Mrs. Mary Brooks from Dalhousie University in Nova Scotia maintains that the proximity advantage of Canadian ports is still poorly taken advantage of. One day less is required for cargo that leaves Shanghai to arrive in Prince-Rupert than in Seattle, two days less than in Los Angeles. Reaching America from Mumbai in India takes one day less to arrive in Halifax than in New-York.[45]

In the context of congestion in ports on the Pacific coast, a good portion of goods that transit that way take the route to the east of the United States or Canada that is more densely populated. In order to fill this gap, Mrs. Brooks suggests that Canada invest more in order to support the port facility boat chocks of Canadian ports on the Atlantic and Pacific.[46]

MARITIME TRANSPORT IN QUEBEC

Map of the St. Lawrence estuary

For three years now, a team of scientists have been mapping the St. Lawrence River estuary. This project, carried on in partnership with Human Resources Canada and Fisheries and Oceans Canada constitutes a long range endeavour that should end next year. The work will provide good knowledge of the bathymetry of the estuary and the nature of the marine bottom. The mapping coverage is complete from Île-aux-Coudres up to Pointe-des-Monts.

[45] Le Cours, Rudy, « Les ports canadiens plus avantageux que leurs concurrents américains », La Presse, October 23, 2007.
[46] Ibid

The project also enables the gathering of information on the marine bottom geology. In addition to updating the marine maps, the work enabled the discovery of certain natural gas sources and some ten or so wrecks. Although the federal government has not yet confirmed the renewal of this project beyond 2009, specialists are already soliciting its expansion over the entire Gulf of St. Lawrence.[47]

ENVIRONMENT

Reinforcement of management standards of ballast water

The St. Lawrence Seaway Management Corporation announced, in January, the strengthening of management practices of ballast water for the 2008 navigation season. The initiative of its American partner, the Saint Lawrence Development Corporation, aiming at regulating ballast water will make it such that all ocean-going ships will be submitted to a uniform and strict inspection process in Montreal before their entry into the Great Lakes Seaway maritime network.[48]

Starting from the 2008 navigation season, all ocean-going ships, including those claiming not to have any ballast water on board, will be submitted to an inspection aimed at all of their salt water and this, while they are still at 200 nautical miles offshore.[49]

COMMODITIES

Iron ore

Anticipated increase in the Quebec production of iron ore

Due to the demand of emerging countries and the increase of metal prices, Quebec is in a full

[47] « Estuaire du fleuve Saint-Laurent – Une carte maîtresse », Communiqué de presse, Transports Canada, July 5, 2007.
[48] « Nouveau renforcement des normes de gestion de l'eau de ballast », Communiqué de presse, Réseau Grands Lacs / Voie maritime du Saint-Laurent, January 16, 2008.
[49] Ibid

mining boom. The mining companies of the North Shore are producing at a maximum operating rate. The most current statistics on Canadian production of iron ore (from January to November 2007) show a total production of 30 Mt, a slight decrease of 0.5% over the same period last year[50] This decrease is, however, due to the five week strike of the IOC mine, without which the total Canadian production would have increased over last year.

Despite slower global economy activity prospects, the demand for iron ore for steel manufacturing in Asia should remain elevated. According to Export Development Canada (EDC), the demand and production of steel in Asia should remain quite strong over the next 12 to 18 months.[51]

Last November, the Consolidated Thompson mine announced the commencement of development work of the Lac Bloom property. The development of the site for future mining of iron ore concession should commence in 2009 and Consolidated Thompson anticipates a 34-year lifespan for the new open-pit mine. Located in the Fermont region on the North Shore, the Lac Bloom project is the first mining project to emerge on the North Shore since 1974. Furthermore, the company recently entered into an agreement with a Chinese partner for the sale of 5 Mt of its annual 7 Mt iron ore production.[52]

Nickel

Anticipated increase of nickel production at the Raglan mine

The Xstrata Nickel mining group plans to increase its production at its Raglan property, located in the northern extremity of Quebec. The exploration results of the mine confirmed the addition of mining resources estimated at 4.5 Mt in 2007, compared to the 2 Mt previously estimated. Work aimed at increasing production to 1.3 Mt per year from now to the end of 2008 is already in progress. The corporation expects to implement other infrastructures in the context of an additional expansion which would enable them to reach 1.5 Mt from now to 2011 and could double the annual production from now to 2013.[53]

If the expansion objective is reached, Raglan would become one of the most important nickel mines in the world, with an annual production of close to 50,000 t of concentrated nickel. It should be remembered that the nickel extracted from the Raglan mine is routed to the Port of Quebec City via the Port of Baie-Déception in northern Quebec. From there, it is rerouted by train to Sudbury for the smelting of the ore.[54]

Cereals and oilseeds

Anticipated drop in Canadian exports

The estimates from Statistics Canada regarding the overall production of cereals and oilseeds in Canada 2006-2007 come to approximately 60 Mt or a slight inferior volume compared to the average of the last ten years. We predict that exports will decrease 16% mainly due to an anticipated decrease of wheat exports. Domestic use should increase due to the growing use of corn and wheat for alcohol production.[55]

We should mention that these previsions remain subject to change, since several factors can affect the cereal and oilseeds market at any time: the Canadian-American exchange rate, weather conditions, Asian demand, the biofuel market and maritime cargo rates.[56]

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[50] « Production des principaux minéraux du Canada », Ressources naturelles du Canada, Novembre 2007.
[51] « Analyses et prévisions économiques », Exportation et Développement Canada, Autumn 2007.
[52] « Lac Bloom – L'aménagement de la mine est commencé », La Presse Canadienne, November 27, 2007.
[53] « La mine Raglan contient davantage de ressources », La Presse canadienne, December 6, 2008.
[54] Ibid
[55] « Canada : perspectives des céréales et oléagineux », Agriculture et Agroalimentaire Canada, December 12, 2007.
[56] Ibid

Aluminum

High global aluminum demand

According to the EDC, market conditions will remain solid enough regarding aluminum and this, despite an economic slow-down in the United States, in Japan and in Europe. China, India and other developing countries in full expansion will continue to guarantee strong growth in the global aluminum demand. In this context, experts expect an increase in global production. Consequently, Quebec aluminum exports should again experience a very good year.[57]

Lumber and newsprint

Another difficult year anticipated for the lumber industry

According to experts, the prospects of the Canadian lumber industry are not very good for 2008 and they do not anticipate any turnarounds in the situation before 2009. The American construction starts, which constitute the main drive of lumber product demand is constantly weakening, consequence of the collapse of at risk mortgage loan market in the United States. To this we must add the appreciation of the Canadian dollar, compared to the American currency, the imposition of a new American tax at borders on Canadian lumber exports, the increase in energy costs and the diving price of lumber. Lastly, financial analysts and economists predict an economic slowdown in the United States in 2008. Some even speak of a recession.[58]

Difficult market conditions for newspint

The newsprint industry should reach the break-even point in 2008, due to the restructuration of the sector, an anticipated drop in the Canadian dollar value and a modest increase of paper costs. This being said, the next year should announce new employment losses due to an excess of the offer compared to the constant demand or even decreasing demand. According to the Conference Board of Canada, the production of paper products, declining since 2004, should continue to drop throughout 2008, notably because of the growing use of computers and the Internet, which will limit the North-American demand.[59]

Hydrocarbons and metals

Exploratory work in the Lower St. Lawrence

The Quebec Government invested $600,000 in exploratory work of the Laurentian subsurface. The targeted territory for this work was a triangular zone delineated by the municipalities of Isle-Verte, Saint-Mathieu-de-Rioux and Biencourt. The research attempted to evaluate the mining, oil and gas potential of the sector. The work, which began in November, had no impact on the environment. It lasted until mid-December.[60]

FERRIES

Replacement of three ferries

The Société des traversiers du Québec (STQ) should make the purchase of three new ferries over the next few years in order to replace ships that are ready to be replaced. The first that needs to be replaced is the *Radisson* which links Saint-Joseph-de-la-Rive and Isle-aux-Coudres. The second is the *N. M. Camille-Marcoux* which shuttles between Matane and the North Shore. Lastly, the other ferry to be replaced is the *N. M. Lucien L.* that ensures the crossing between Sorel-Tracy and Saint-Ignace-de-Loyola. The average age of the STQ ferry flotilla, that counts 11 ferries, is 30 years.[61]

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[57] « Analyses et prévisions économiques », Exportation et Développement Canada, Autumn 2007.
[58] « La production de bois d'œuvre chute », La Presse, August 24, 2007.
[59] « Industrie du papier – Encore une année difficile », Site Web de Radio-Canada, November 29, 2007.
[60] « Hydrocarbures et métaux – Travaux d'exploration au Bas-Saint-Laurent », Site Web de Radio-Canada, November 21, 2007.
[61] Pelchat, Pierre, « Trois traversiers à remplacer », Le Soleil, October 27, 2007.

Permanent maritime connection project between the Magdalen Islands and the continent

The federal minister of Transport, Infrastructures and Communities, Lawrence Cannon, announced, in January, that the government was contemplating the possibility of implementing a maritime connection between the Magdalen Islands and the continent. The pilot project in question would consist of creating a winter connection as of 2009.[62]

The consultation and analysis results held in the fall of 2007 indicate that a ferry service year round would have significant socio-economic benefits for the people of the Magdalen Islands, notably by providing more transportation options for citizens and shorter goods delivery delays.[63]

INTERNATIONAL CRUISES

The North shore wishes to become a choice destination for cruise ships

The North Shore is pursuing its work to become a destination for cruise ships. In 2007, only a few cruise ships docked in the region. The Ports of Sept-Îles, Havre-Saint-Pierre and Baie-Comeau estimate that their developments are linked. The higher the number of port visits by cruise goers, the more ships will dock in larger numbers.[64]

In Sept-Îles, the port does not have a quay capable of welcoming cruise ship. In order to modify one of the quays for this purpose, work estimated at $30M would be required. In Havre-Saint-Pierre, two cruise ships have already planned port visits in 2008. The Port Corporation in Havre-Saint-Pierre hopes to begin development and beautification work in the port zone over the next year. In Baie-Comeau, 2008 will be built on to develop and coordinate the tourism offer.[65]

Pointe-au-Pic wishes to become a port stop for cruise ships

The Pointe-au-Pic municipality wishes to welcome cruise goers at the municipality's quay in the next five years. Once the assignment file has been completed, the city will commence discussions with Ottawa to help them develop the cruise market. It should be mentioned that the tourist attractions are not lacking in Pointe-au-Pic. There is the Manoir Richelieu and the Charlevoix Casino. The future tourism train of the Groupe Le Massif must also stop here, while the Charlevoix museum is also close by. These are favourable tourist attractions for cruise ships.[66]

The first cruise ship in Gros-Cacouna

Navitrans, a company established in Montreal, anticipates making Cacouna a port visit that would navigate the St. Lawrence. The file is only at the discussion stage, but according to sources, the Port of Gros-Cacouna could welcome a first ship by this summer. The ship in question, whose construction will be complete in June, could make a port visit in August and September. The American flag vessel, with a capacity of 210 passengers, would depart from Nova Scotia and Newfoundland and sail towards Montreal. The final schedule is still to be determined.[67]

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[62] « Îles-de-la-Madeleine – Ottawa veut un lien maritime permanent », La Presse Canadienne, January 26, 2008; « Prolongation du service de traversier des Îles-de-la-Madeleine durant la saison hivernale 2009 », Canada NewsWire, January 25, 2008.

[63] « Îles-de-la-Madeleine – Ottawa veut un lien maritime permanent », La Presse Canadienne, January 26, 2008.

[64] « Croisières sur le Saint-Laurent – Une industrie en gestation », Site Web de Radio-Canada, January 7, 2008.

[65] Désiront, André, « Le fleuve Saint-Laurent, grande destination de croisières », Le Soleil, June 30, 2007

[66] « Transfert de quais dans Charlevoix – Ottawa s'engage pour 8,5 M$ », Site Web de Radio-Canada, December 9, 2007.

[67] Larouche, Marc, « Un premier navire de croisière dès cet été », Le Soleil, January 19, 2008.

PLEASURE BOATING

Trans-Atlantic crossings in the scope of the festivities for Quebec's 400th anniversary

In the scope of festivities for the City of Quebec's 400th anniversary, some forty French boaters will depart from La Rochelle in France and will cross the Atlantic destined for Quebec City with a stop in Gaspé in mid-June. The crews will depart from La Rochelle on May 8 in the course of the Grande Traversée de l'Atlantique in order to highlight the founding of the City of Quebec by Samuel de Champlain.[68]

Furthermore, some 12 Quebec crews will participate in an Atlantic crossing that will depart from Quebec City on July 6 destined for La Rochelle. The event organizers anticipate that many other boaters will likely join the flotilla that is expected in Charente-Maritime around August 19.[69]

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[68] « Le retour aux Sources, une croisière transatlantique à destination de La Rochelle », L'Escale nautique, n° 56, Winter 2006.
[69] Ibid

COMMENTS

If you have any comments, please address them to:

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